

January 10, 2012

To the Members of the School Board, Superintendent
Moultonborough school District
Moultonborough, New Hampshire 03254

The ABC has reviewed the results of the proposed three-year Collective Bargaining Agreement (CBA). In a vote of 6-0 (6 in favor, 0 against) the committee has agreed to support the contract.

The Committee is encouraged with the efforts by both the School Board negotiators and negotiators for the Moultonborough School Staff Association (MSSA). In a vote of 1-4 (1 in favor, 4 against), the ABC was unable to support the 2011/2012 collective Bargaining Contract due to a number of issues. It is the ABC's current view that progress has been made related to many of our prior concerns. It is this Committee's opinion that the proposed contract represents a reasonable beginning to balancing the compensation requirements of the MSSA members with the current economic and political climate particularly in view of additional costs related to pension funding that have been passed down to the local taxpayers from Concord.

In an attempt to provide the community with a factual understanding of the proposed changes, we have summarized the changes and presented our thoughts below. We request that the community take the time to understand the proposed contract changes prior to voting.

Salary

Current Contract

The existing contract covered a two year period of August 1, 2010 thru July 31, 2012. The contract period of performance in a year is 185 days per year. The contract days are comprised of 180 teaching days and 5 in-service days. Additional service time, includable in the overall wage base for retirement calculation, is reimbursed via stipends, which represent fees for a variety of services such as department chairs, unit leaders, clubs, coaches etc. The value of the received stipends varies in accordance with a schedule for each approved extra-curricular activity. Many teachers receive multiple stipends. Teachers are provided up to \$1400 per year in reimbursement towards professional development courses, computers, workshops etc. Of the \$1,400 allowance up to \$700 may be utilized to purchase computer hardware or computer peripherals or other electronic equipment. The pay schedule is based on a Step and Track system. Year 2011-2012 is comprised of 14 steps and 5 tracks. The track rating is based on academic advancement (Bachelor's Degree, Master's Degree, Master's Degree +, etc.) All teachers' receive a step increase within their respective track with each additional year of service. Steps are based on time in position. Steps are not based on performance. Steps are granted per contract to all teachers on an annual basis. Track changes are based on academic advancement, i.e. obtaining added credited courses toward advanced degrees. Annual step increases can occur in addition to track change increases within the same year. The current contract pay schedule range is \$34,333 to \$58,869. The current contract includes a 0 % increase in the step ranges for the 2010/2011 contract year and a 1.1% increase to the step ranges for the 2011/2012 contract year. Once a teacher reaches the top step of the salary schedule (14 years of teaching) they receive off-track pay increases of anywhere from \$250-\$700 per year of experience. A teacher reaching the top step would receive additional pay each year calculated at a rate of \$700 times the number of years worked after reaching the top step. Three years worked after reaching the top step would equal an additional \$2,100 in salary above the highest step value.

Proposed contract

The District teachers' contract is proposed to cover three years beginning August 1, 2012, and ending July 31, 2015. Many of the terms and conditions remain the same as the current contract. Work days remain the same, stipend payments continue. The following represent the contract changes with regards to salary.

Over the three-year contract, the total increase in teacher salaries including longevity awards and waged based benefits (e.g. FICA, retirement, workers' comp) will be 5.99%.

- The total increase in teacher salaries and related benefits for 2012-2013 is a 2.10% increase over 2011-2012.
- The total increase in teacher salaries and related benefits for 2013-2014 is a 2.08% increase over 2012-2013.
- The total increase in teacher salaries and related benefits for 2014-2015 is 1.81% increase over 2013-2014.

The Committee notes and supports the following additional changes to compensation:

The percentage increases above have not been applied across the board. An effort was made to move salaries for teachers with 5 to 20 years' experience closer to the mean salaries for teachers in other Lakes Region school districts. Off track wages increases for teachers whose longevity exceed the 14 year step range have actually decreased from the existing \$250 - \$700 range to \$230 - \$655.

Additional compensation in the form of longevity stipends is currently awarded at \$50 per year for teachers with 10 years of Moultonborough experience, \$75 per year for 15 years' experience and \$100 per year for 20 years' experience. The Committee notes that the stipend factors are being reduced to \$19, \$43 and \$68 respectively over the upcoming three year contract period.

In addition, the Committee notes that the current professional development allocation of \$700 for computers and computer related peripherals is reduced to \$500 annually. Given the increased availability of district technology available in the classroom this Committee is in support of continued future reduction of this allocation.

Retirement Incentive

In order to provide retirement incentive to the Districts senior teaching staff, during the 2011/2012 contract negotiations, the School Board proposed and approved the following retirement incentive program. The intent was to entice the experienced higher salaried teachers to take an early retirement, allowing the district to replace the retiring teachers with junior and therefore less costly staff.

In recognition of service to the Moultonborough School District, a teacher with at Least twenty-five (25) years of teaching experience, who has at least ten (10) years of service to the Moultonborough School District, who is at least 55 years of age, and who is eligible for early or normal retirement under the New Hampshire Retirement System, shall be eligible upon retirement from the District, for a retirement stipend equal to 30% of their last year's salary. The last year salary paid shall

Mean the amount paid for services specified in the teacher's individual contract as per the Collective Bargaining Agreement. It does not include any additional amount earned for extra duty assignments, Extra-curricular or athletic activities or other compensation received. The limit of the number of eligible teachers in any single year shall be five (5). In the event that more than the five apply, then the plan shall be limited to the five most senior applicants. Seniority shall first be determined by the sum of age and years of service to the District. If two or more eligible teachers have the same total sum of age and years of service to the District, then the one with the most years of service to the District will be considered the most senior. If the years of service are the same, then the one with The earliest birth date will be considered the most senior. The School Board may, at its discretion, approve additional applications for the plan.

While the ABC commended the School Board for its creativity in developing a program to replace the higher salaried staff with more junior (i.e. less expensive) staff, we took strong opposition to the program. There was no end date on the retirement offer. Conceivably, five teachers per year could qualify for the retirement incentive from 2011 through perpetuity. Once in the contract, as written, it was our opinion that it would be virtually impossible to remove. However, we did and still do believe this can be a very effective cost reduction program with an end date attached to the offer.

We report that contract language for the 2013-2015 contracts has been amended as follows:

In recognition of service to the Moultonborough School District, a teacher with at Least twenty-five (20) years of teaching experience, who has at least ten (5) years of service to the Moultonborough School District, who is at least 55 years of age, and who is eligible for early or normal retirement under the New Hampshire Retirement System, and retires at the end of the 2012-2013 school year shall be eligible for a retirement stipend of equal to 35 % of their last year's salary. A teacher meeting the same experience and age requirements who retires at the end of the 2013-2014 school year shall be eligible for a retirement stipend equal to 30 % of their last years' salary. A teacher meeting the same experience and age requirements who retires at the end of the 2015-2015 school year shall be eligible for a retirement stipend of 25 % of their last years' salary. The eligible number of teachers in any single year continues to be restricted to 5.

The ABC continues to believe this can be an effective cost reduction program and should have an end date attached to the offer. While we are encouraged to see dates specifying annual reduction of the benefit over the term of the contract, we strongly believe that this benefit needs to permanently end at the conclusion of this contract.

Health Benefits

The increasing cost of health related benefits continues to be a nationwide concern. Historically, the Moultonborough Collective Bargaining Agreements have definitively specified plans, carriers and employer/employee cost sharing arrangements. Multi-year contract arrangements, so narrowly defined, provide very limited opportunity for the Administration to react to the significant fluctuations in cost as experienced nation-wide over the past several years.

The ABC is encouraged and supportive of the following language added to the proposed contract.

During the course of this agreement, either party can initiate a joint labor/management committee to examine options to current health insurance plans with the goal of identifying options that offer equal

or better coverage at a savings to both the District and the employee. Recommendations will be made to the School Board and MSSA negotiations teams and must be ratified by both parties. Any agreement so ratified and approved shall become effective during the term of this agreement at the agreed upon date.

The ABC continues to request that the District should undergo competitive analysis (contractual and non-contractual positions) of its current “Benefits” package including, employee /employer benefit contribution rates and initiate alternatives for reducing the of the overall cost of health benefits supported by the tax base while continuing to provide competitive coverage to its employees.

Respectfully submitted,

Jean Beadle, Chair - ABC

Moultonborough Budget Advisory Committee

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